

In re Appln. of Timothy C. Sowell
Serial No. 09/418,943

pending claims. A request for two-month extension and authorization to withdraw \$400.00 are enclosed herewith. Please charge any fee deficiencies to Deposit Account No. 12-1216.

Summary of the Rejections

The following identifies the authority and/or prior art applied to the identified claims for each rejection of the claims set forth in the Office Action dated June 6, 2001.

1. **Paragraphs 3 and 4:** Claims 53-55 are rejected under 35 U.S.C. Section 101 as directed to non-statutory subject matter.
2. **Paragraphs 5 and 6:** Claims 1-7, 11-25, 27-29, 31-35, 37-40, 42-44, and 53-55 are rejected under 35 U.S.C. Section 102(e) as being anticipated by Krishnan et al, U.S. Pat. No. 6,073,124.
3. **Paragraphs 7 and 8:** Claims 8-10, 26, 30, 36 and 41 are rejected under 35 U.S.C. Section 103(a) as obvious over the Krishnan et al, U.S. Pat. No. 6,073,124.

Applicant traverses the grounds for each and every rejection for at least the reasons set forth herein below.

Applicant's Arguments

Applicant traverses the rejection, in **Paragraph 4**, of claims **53-55** as being directed to non-statutory subject matter. The claimed invention, as now amended, is directed to a memory having a software module containing a new arrangement of components. The incorporation of the recited set of components within a software module provide advantages with regard to charging customers for use of such software modules. In reciting a set of elements stored within a single module, claims 53-55 define physical relationships rather than merely information, and thus define a patentable article of manufacture. See, In re Lowry, 32 F.3d 1579 (Fed.Cir. 1994).

Applicant traverses the rejection of claims 1-7, 11-25, 27-29, 31-35, 37-40, 42-44, and 53-55 under 35 U.S.C. Section 102(e) as being anticipated by Krishnan et al., U.S. Pat. No. 6,073,124 for at least the reason that Krishnan et al. neither discloses nor suggests the utility-based software

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billing paradigm (charging for monitored *actual use of software modules*) embodied within particular claim elements recited in each of the independent claims 1, 31, 42 and 53. Rather, Krishnan et al. discloses a digital content distribution scheme wherein unauthorized *use of software/content is blocked* by an anti-piracy mechanism. Krishnan discloses a system that bars unauthorized execution/use of digital content. However, once a use is deemed authorized by the system disclosed in Krishnan et al., the actual use of the digital content (e.g., software or data) is not monitored.

Applicant's specification describes monitoring use of software, by way of several non-limiting examples, in the paragraph at page 9, lines 9-18 of the application as follows.

The licensing function 24 incorporates a revenue model wherein the primary source of income comes from customers' registered uses of licensed software modules physically present on their local systems. Use of software, as recited herein, is measured, for example, by registered events and is gauged in many ways including, for example: the number of unique instances created from a software module that were executed during a given period of time (e.g., a day, a week, a month, an hour, etc.), the number of copies of a program or data segment created from a particular software module, the quantity of output product generated by executing an instance created from a software module, or the amount of time a particular application was active (measured by a start time and finish time registered by a use monitor in the software module integration platform).

Turning to the particular bases for rejecting **claim 1**, the Office Action states that the claimed "monitoring customer use of the software modules" is disclosed in Krishnan et al. at column 7, lines 24-43. However, Applicant, having reviewed this section, respectfully submits that Krishnan et al. discloses a set of components that permit access to downloaded digital content upon completing creation of a valid license to use the digital content. Nowhere does Krishnan et al. disclose monitoring subsequent use.

The Office Action also states that the claimed "charging the customer according to use of the distributed software modules as determined during the monitoring step" is disclosed at column 19, lines 35-54. Applicant, having reviewed this section, respectfully submits that this cited portion of Krishnan et al. discloses issuing a credit card charge/purchase order in response to a customer order for identified digital content. Nowhere does Krishnan et al. disclose or suggest charging the customer *based upon monitored use* of the ordered digital content.

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Finally, Applicant respectfully submits that charging a flat rate for licensed use of a single downloaded item, as depicted in FIG. 17 does not represent a use-based pricing scheme since the flat rate charge depicted in FIG. 17 is based upon *obtaining access to the item* – not the item's subsequent "monitored" use. Applicant's billing scheme may include, for example, free distribution of such items, and charges are accumulated based upon subsequent use of the downloaded items by a user. Applicant's invention, as recited in claim 1, is directed to a method for establishing and carrying out a use-based software module billing framework with charges issued according to a use-based pricing scheme applied to monitored use of the software.

In conclusion, Krishnan et al. cannot anticipate claim 1 since, for at least the reasons set forth herein above, Krishnan et al. does not disclose a number of claim 1's elements. The Office Action's rejection of claims depending from claim 1 as anticipated by Krishnan et al. are likewise traversed since such claims include the elements of claim 1. Applicant addresses the Office Action's individual grounds for the rejection of the dependent claims herein below. Applicant reserves the right to further argue that there is no suggestion to combine particular references in the event that a further Office Action identifies additional references that contain elements that are not present in Krishnan et al.

Applicant traverses the rejection of claim 2 that recites "a customer creates a number of instances from a software module, and use is measured according to instances detected" Krishnan et al. does not disclose monitoring the creation of instances (e.g., object instances created from an object class) of an item. Krishnan et al. does not even disclose creation of such instances. Instead, the cited portion of Krishnan et al., at col. 7, lines 20-28, discloses downloading a single copy of particular components, and does not address making instances of that downloaded copy.

Applicant traverses the rejection of claim 3. Nowhere does Krishnan et al. disclose instances created from a software module that are "periodically accessed to determine use." If the rejection is not withdrawn, Applicant respectfully requests identification of the "license code" that the Office Action cites in the rejection of claim 3.

Applicant traverses the rejection of claim 4. Claim 4 recites registering use on a daily basis, and then charging a daily rate for use of an instance. In contrast the Office Action cites Krishnan et

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al. at column 24, lines 4-6, that discloses a temporary ELC, *enabling use* of digital content, that expires after twenty-four hours. Applicant respectfully submits that creating a single temporary license does not fall within the scope of the recited elements including "*registering each day that an instance created from a software module is active*" for purposes of charging a daily rate for use of the instance.

With regard to the rejection of **claim 5**, Applicant agrees that Krishnan et al. contemplates a "trial use." However, the "trial use" option is associated, in the description at col. 7, lines 35-36, with a "purchasing option" that implies that the trial use is subject to a charge. Furthermore, the Krishnan et al. patent does not specify that the trial use applies to a "demonstration mode" of an instance.

Applicant traverses the rejection of **claim 6**. Claim 6 recites "a single agreement governing use of instances" created from software modules. However, Krishnan et al. discloses a license that appears to apply to the single downloaded copy of digital content rather than instances that are created from the downloaded digital content. Applicant traverses the rejection of **claim 7** for at least the reason that Krishnan et al., col. 18, lines 55-56, does not disclose "*instances derived from a software-module.*"

Applicant traverses the rejection of **claims 12 and 13** for at least the reasons provided herein above with regard to claims 1 and 2 since, as mentioned herein above, Krishnan et al. does not disclose creating the recited instances.

Applicant respectfully submits that, with regard to the rejection of **claims 14 and 15** Krishnan et al. does not even disclose downloading an object class from which the specified objects are instantiated.

Applicant traverses the rejection of **claim 16**. Claim 16 recites determining a "time duration" that a particular software module has been active. Krishnan et al. merely notes when a period expires and does not disclose that the duration is determined. It is further noted that Krishnan's determination, that a time period expired, is used to end access to digital content. When the time duration determination element of claim 16 is read in the context of the other elements of

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claim 1 from which it depends, this element is used for purposes of charging a customer rather than ending access to software/content.

Applicant traverses the rejection of **claim 17**. Claim 17 is directed to a particular monitoring implementation that comprises "registering execution of an instance that tracks throughput of a process" and this indirectly measures value created by a process that uses the software modules. Applicant respectfully submits that nothing in column 7, lines 17-67 even remotely discloses tracking process throughput or the particular method step recited in claim 17.

Applicant traverses the rejection of **claim 18**. Krishnan's Fig. 17, cited in the rejection, merely shows a customer charge interface and does not disclose assigning individual prices to particular items.

Applicant traverses the rejection of **claim 19**. Krishnan et al., at col. 19, lines 52-60, discloses charging a customer's credit card. Applicant submits that the recited claim element, including the step of "compensating a third party vendor based upon a use by a customer of the first software module" is directed to a novel step of paying a third party, that supplied the software, based upon monitored use of software, that is neither disclosed or even remotely suggested in Krishnan et al.

Applicant traverses the rejection of **claim 22**. Applicant respectfully submits that the Table 2 in Krishnan et al. stores product information, but does not appear to even store usage information, and therefore could not perform the step of "reporting usage information."

Applicant traverses the rejection of **claim 23**. Though column 9, lines 45-46 indeed disclose a destination location for a downloaded copy, the claim element recites "identifying the location of an *instance* created from a software module" obtained by a customer. Krishnan does not even disclose creating an instance from the downloaded content.

Applicant traverses the rejection of **claim 24**. While claim 24 is directed to a failure to communicate with an entity – e.g., a license manager overseeing software module usage at the customer's site –, Krishnan et al. col. 19, lines 60-67 disclose receipt of a denied transaction authorization during a credit card transaction.

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Applicant traverses the rejection of **claim 25**. Table 1 of Krishnan et al. discloses information provided by a supplier. This information is stored *prior to* any distribution of the digital content to customers. Claim 25 recites "storing use information in summary format in a database" during the monitoring step that occurs *after* the software modules are in the possession of customers.

Applicant traverses the rejection of **claims 27-28**. Krishnan et al. col. 7, lines 5-15 does not disclose or even remotely imply that the downloaded software relates to industrial manufacturing software. If anything, Krishnan et al. suggests that the downloaded digital content comprises consumer items such as articles, music, books, etc.

Applicant traverses the rejection of **claim 29**. Krishnan et al., as mentioned previously herein above, does not even disclose use of instances created from software modules.

Applicant traverses the rejection of **claim 31** for at least the reasons set forth above with regard to **claim 1**. As explained previously herein above, Krishnan et al. discloses an anti-piracy mechanism that prevents unauthorized use of content. Krishnan et al. neither registers the actual use of downloaded items nor are customers in Krishnan et al. charged according to such registered use.

Applicant traverses the rejection of **claims 32 and 33**. Krishnan et al., as mentioned previously herein above, does not even disclose executing instances created from a software module, and therefore cannot disclose basing usage of the software modules on executing/creating such instances (e.g., instantiated objects) as recited in the claims.

Applicant traverses the rejection of **claim 34**. Claim 34 recites "registering use of the downloadable module" to measure throughput of an industrial (e.g., manufacturing) process. Such element facilitates monitoring throughput of an industrial process (e.g., an assembly line, a batch process) to indirectly measure value created by the process using the software modules. Applicant respectfully submits that nothing in column 9, lines 60-67 even remotely discloses registering a use to provide a measure of industrial process throughput.

Applicant traverses the rejection of **claim 35**. Claim 35 recites two different modes of charging for instances created from software modules – lifetime mode (i.e., a flat fee) and a use-

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based mode (charging a customer according to registered use of created instances). Applicant respectfully submits that Krishnan et al. neither discloses nor suggests a mode of charging a customer according to registered use of instances.

Applicant traverses the rejection of **claim 37** for at least the reasons set forth hereinabove with regard to **claim 1**. In summary, Krishnan et al. appears to disclose the authorization step. Krishnan et al. charges customers based upon such authorization to use downloaded digital content. However, in contrast to the claimed invention that recites a "charging step," Krishnan et al. does not disclose charging customers based upon the use of software once authorization is given.

Applicant traverses the rejection of **claim 39**. Nowhere does Krishnan et al. disclose any form of use monitoring software, and therefore it follows that the recited "self-monitoring process software" is not disclosed within Krishnan et al.

Applicant traverses the rejection of **claim 40**. Krishnan et al. col. 7, lines 5-15 does not disclose or even remotely imply that the downloaded software is industrial automation software. If anything, Krishnan et al. suggests that the downloaded digital content comprises consumer items such as articles, music, books, etc.

Applicant traverses the rejection of **claim 42** for at least the reasons set forth hereinabove with regard to **claim 1**. In particular, Krishnan et al., while disclosing an e-commerce facility that executes sales of digital content, does not disclose facilities for enabling purchase of "execution units" (a software billing unit) and thereafter charging "execution units" based upon software module utilization by such customers. This alternative unit of value is described, by way of example, at page 10, lines 9-13 of Applicant's specification. Such alternative software use valuation scheme is neither disclosed nor suggested in Krishnan et al.

Turning to the rejection of **claims 53-55**, Applicant submits that the presently claimed invention comprises a defined article of manufacture wherein particular information is logically bundled within a single module that facilitates efficient and accurate marketing, distribution, and accounting of use by customers of software modules. Applicant traverses the rejection of **claim 53** for at least the reason that Krishnan et al. does not disclose a single module containing all the recited elements. In particular, Krishnan et al. does not disclose a billing definition, i.e., a cost for

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using the software module, that is contained within a single module containing the other recited elements. For at least this reason **claims 53-55** are not anticipated by Krishnan et al.

Applicant now turns to the rejection of **claims 8-10, 26, 30, 36 and 41** as obvious over Krishnan et al. in paragraphs 7-8 of the Office Action. The Office Action has not provided a prima facie case of obviousness under 35 U.S.C. Section 103 with regard to any of these rejections. With regard to the rejection of **claim 9**, Applicant does not contend that maintaining an account of credits was not previously known in other contexts. However, Applicant submits that Krishnan et al. as well as the prior art does not suggest incorporating a credits account into a system that monitors usage of software modules and then deducts such credits from the account based upon charges accumulated based upon the monitored use of software modules.

Applicant traverses the assertion regarding **claim 10** that the recited step of "generating a report summarizing use of software modules at the customer site" is well known in the art. In the event that such assertion is not withdrawn, Applicant requests provision of a reference showing such a teaching in the prior art. At such time Applicant will assess whether such reference, taken in combination with the teachings of Krishnan et al., renders **claim 10** obvious.

Applicant traverses the rejection of **claims 8, 26 and 41** including the assertions that the recited elements are both well known in the art and that incorporation of such elements into Krishnan et al. is suggested by the prior art. Applicant is unaware of the recited payment-based reminders. In the event that this rejection is not withdrawn, Applicant requests provision of a reference showing such a teaching in the prior art. At such time Applicant will assess whether such reference, taken in combination with the teachings of Krishnan et al., renders **claims 8, 26 and 41** obvious.

Applicant traverses the rejection of **claim 30**. In particular, though configuration tools were indeed well-known at the time of the invention, Applicant respectfully submits that the prior art does not suggest providing such tools to customize instances created from software modules in a method that includes charging a customer based upon monitored use of software modules. In the event that this rejection is not withdrawn, Applicant requests provision of a

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reference showing such a teaching in the prior art. At such time Applicant will assess whether such reference, taken in combination with the teachings of Krishnan et al., renders claim 30 obvious.

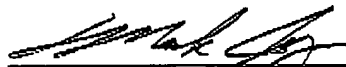
Applicant traverses the rejection of claim 36. In particular, Applicant respectfully submits that the Office Action is utilizing the claim element as a basis for modifying the teachings of the prior art. Nowhere does Krishnan et al. suggest a daily charge rate or registering an instance each day in which the instance is executed to facilitate charging a customer based upon such use. The Office Action's obviousness rejection must be based upon the teachings of the prior art. In the event that this rejection is not withdrawn, Applicant requests provision of a prior art reference showing a use-based mode of billing customers and daily registration of an instance's execution to facilitate charging the customer for such use.

CONCLUSION

The application is considered in good and proper form for allowance, and the Examiner is respectfully requested to pass this application and all the pending claims to issue.

If, in the opinion of the Examiner, a telephone conference would expedite the prosecution of the subject application, the Examiner is invited to call the undersigned attorney.

Respectfully submitted,



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Date: November 5, 2001

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CERTIFICATE OF FACSIMILE TRANSMISSION

I hereby certify that this AMENDMENT AND REQUEST FOR
RECONSIDERATION (along with any documents referred to as attached or enclosed) is
being transmitted to the United States Patent and Trademark Office, Attention: Examiner N.
Nguyen, Art Unit 2164, Facsimile Number (703) 308-9051, on the date indicated.

308-1396

Date: November 5, 2001

Norma J. Arbas
(Typed or printed name of person transmitting paper)

Norma J. Arbas
(Signature of person transmitting paper)

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In re Application of:

Timothy C. Sowell

Group Art Unit: 2164

Serial No. 09/418,943

Examiner: N. Nguyen

Filed: Oct. 15, 1999

For: Distributing and Billing Software
According to Customer Use of Program
Modules

**AMENDMENTS TO SPECIFICATION, CLAIMS, AND ABSTRACT
MADE IN RESPONSE TO OFFICE ACTION DATED JUNE 6, 2001**

Amendments to Existing Claims:

34. (Once Amended) The method of claim 31 wherein registering use of the downloadable module provides a measure of throughput of an industrial process.

41. (Once Amended) The method of claim 37 wherein the self-monitoring process software comprises [includes] functions for informing the customer of a need to reorder credit to continue using the executable software.

53. (Once Amended) A memory containing a software module structure facilitating automated distribution of software to customers, the software module structure comprising:
a supplier identification;
a product description;
a billing definition; and
an executable program.

54. (Once Amended) The memory containing a software module structure of claim 53 wherein the billing definition includes a usage rate.

55. (Once Amended) The memory containing a software module structure of claim 54 wherein the billing definition includes a lifetime rate.